

VZCZCXRO2325
PP RUEHMA RUEHPA
DE RUEHAB #1227/01 3481749
ZNR UUUUU ZZH
P 141749Z DEC 07
FM AMEMBASSY ABIDJAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3826
INFO RUEHZK/ECOWAS COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHDC
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 04 ABIDJAN 001227

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FOR H K.MOODY, AF/W E.PLUMB
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EMBASSY ACCRA FOR B.SHUKIN, S.BROWN,AMB.BRIDGEWATER
TREASURY FOR D. PETERS
COMMERCE FOR M. RIVERO

E.O. 12958: N/A
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SUBJECT: SCENESETTER FOR HARKIN CODEL JANUARY 7-9 VISIT TO
COTE D'IVOIRE

REF: ABIDJAN 1219

¶1. (SBU) Embassy Abidjan warmly welcomes your visit to Cote d'Ivoire. Yours will be the second recent visit of high-level U.S. government officials, following the November visit of Deputy Secretary of State John Negroponte. We believe your visit will be viewed as a sign of increased USG interest in seeing Cote d'Ivoire return to its former prosperity and political stability. Senator Harkin's and Representative Engle's role in developing and implementing an international public/private accord (The "Harkin-Engle Protocol") is well-known here, and your visit will be an excellent opportunity to underscore the interest of the American people in seeing sustained progress in eliminating the worst forms of child labor in Cote d'Ivoire.

Political Situation

¶2. (SBU) The overall security situation has improved since the signing of the Ouagadougou Political Agreement (OPA) but there is still widespread uncertainty about the future. Reportedly the result of direct negotiations between the government and rebel forces, the OPA was facilitated by President Blaise Compaore of Burkina Faso and signed by Cote d'Ivoire's two primary protagonists (President Gbagbo and now Prime Minister Soro) in March 2007. It is a viable roadmap for the country's emergence from the political crisis but the pace of implementation has been slow and uneven. The USG is very positively viewed in Cote d'Ivoire great influence; in a poll taken within the last 12 months, the U.S. was favorably viewed by 88 percent of Ivorians.

¶3. (SBU) The question of nationality or "Ivoirite", is at the heart of the political stalemate. A substantial number of individuals (estimates range from 300,000 to 3 million) are currently undocumented as Ivorians and are thus unable to participate fully in Ivorian society where the possession of a national ID card governs a broad swath of activities, including eligibility to vote and to own land for agricultural cultivation. A majority of those who are undocumented have family ties to Burkina Faso and were initially welcomed into the northern region of Cote d'Ivoire as much-needed laborers in the cocoa sector. While Cote d'Ivoire's founding father and first president Houphouet-Boigny took a very liberal approach to integrating this group into Ivorian society; his successors (Bedie and Guei) actively promoted a more restrictive approach,

including changes to the constitution that emphasized the national divisions between north and south and between Christian and Muslim. The 2002 coup attempt, which quickly evolved into an armed rebellion that split the country in two, underscored the depth of emotion attached to this question. Definitive reunification of the country and the restoration of government authority throughout the national territory will be difficult to achieve unless the issue of nationality is dealt with in a manner acceptable to both sides.

¶4. (SBU) The "audiences foraines" or public tribunals called for in the Ouagadougou Political Agreement (and several previous peace agreements) are intended to facilitate voter registration and the eventual issuance of ID-cards to those who qualify by providing numerous fora at which persons whose births were never registered are issued birth documentation (jugements suppletifs). In recent weeks, the pace of the work done by the audiences foraines has picked up, but numbers processed remain below 100,000. In both 2005 and 2006, then-Prime Minister Banny attempted to get the process underway, but radical and sometimes violent supporters of the President succeeded each time in derailing the audiences foraines and stalling the overall peace process. The political stakes are high for PM Soro to deliver a credible identity program for his constituency in the North.

Child Labor Situation

¶5. (SBU) Prompted in large measure by the Harkin-Engle Protocol, the government of Cote d'Ivoire, working with international industry and a number of bilateral development agencies and international Non-Governmental Organizations, has implemented a variety of programs and conducted a number

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of surveys addressing the worst forms of child labor. Several diagnostic studies have been completed, the most recent a preliminary study conducted by the Prime Minister's interministerial taskforce (supported by the international industry) published November 30. It found that 22 percent of children in the sample region are involved in cocoa production, and a majority of them are involved in one of the worst forms of child labor, carrying heavy loads. The rest of the report demonstrates that the cocoa-growing sector is composed of hundreds of thousands of relatively small family-owned and operated farms, many, if not most, operated by non-indigenous peoples from the northern part of Cote d'Ivoire, Burkina Faso, Mali and other countries in the region who have settled and formed communities in the southern cocoa-growing belt. The survey shows the great majority of children involved in farm labor are members (either immediate or extended) of the farm owner's family. This pilot survey will be scaled up and conducted throughout at least 50 percent of the country's cocoa-growing regions in the coming months.

¶6. (SBU) The government of Cote d'Ivoire has also adopted a National Plan of Action Against Child Trafficking and Labor (drafted by the Ministry of Labor) that will run from September 2007 through December 2009. The plan's overall objectives are: to adopt laws specifically prohibiting these practices, to determine the scope of the problem, and to take measures to prevent these practices and to reintegrate victims into society. The plan relies substantially on the continued engagement of international actors. The following is a list of some (but not all) of the more important groups and international agencies involved in the campaign against the worst forms of child labor and some of their activities:

International Labor Organization - Supports a variety of NGOs, activities, including LUTRENA (see below)
International Organization of Migration - This group occasionally offers return/reintegration assistance to victims of trafficking, particularly women and children.
UNICEF - Engaged in repatriation of trafficked youth to their

home countries.

The International Cocoa Foundation - This group, an industry/NGO initiative, implements locally-based sensitization campaigns teaching cocoa families and youth about the negative effects of the worst forms of child labor. The Sustainable Tree Crops Program - This group, funded by industry and USAID, promotes the farmer field school model, which teaches farmers ways to improve their income through higher yield, while also educating them about the worst forms of child labor.

GTZ - This group, the German equivalent to USAID, implements campaigns to train judges and prosecutors about child trafficking; creates and supports regional and village anti-trafficking committees in coordination with local prefects (these have seen some notable recent success in detecting cross-border child trafficking); creating an anti-trafficking and anti-worst forms of child labor radio campaign conducted on the country's rural radio network in local languages.

LUTRENA - This is an ILO-USAID funded regional project designed to remove 9,000 children from trafficking situations and prevent other cases from occurring. LUTRENA in Cote d'Ivoire implements programs in the field to detect trafficking of children in coordination with government authorities.

CARE - This group engages in reinsertion and reintegration of trafficked youth.

Winrock International - This group runs a modest program encouraging cocoa farm families to send their children to school, and incorporates agronomy studies in the curriculum. International Foundation for Education and Self Help - This group runs a modest literacy program for cocoa farmers, with a strong component directed towards educating against the worst forms of child labor.

Enfance Meturie Sans Frontieres (Injured Childhood Without Borders) - This group works to remove children from trafficking networks.

Bureau International Catholique de l'Enfance (Catholic Children's Organization) - This group works to recover children from trafficking networks.

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¶7. (SBU) A preliminary study of efforts to monitor and eliminate WFCL, done by Tulane University's Payson Center (under a grant from the DOL) provided an initial review of the multiple efforts to assess and end WFCL.

Economic Overview

¶8. (C) The lack of a clear resolution to Cote d'Ivoire's political crisis has had a predictably negative effect on many parts of the economy. The key issue for the donor community, however, has been the lack of transparency in government revenues (cocoa, oil and gas) as well as the use of those revenues. The government's fiscal performance has deteriorated over the past five years due to pressure to increase crisis-related expenditures (such as defense) an eroding tax base, and a worsening lack of transparency in the budget. Spending on health and education fell as a share of GDP while discretionary presidential spending rose. The government revenues from oil remain undetermined, and are not reported in the national budget. Since 2002, domestic and external debt arrears have increased, prompting the World Bank, the IMF and the AfDB to suspend engagement until July 2007 when an arrears clearance package was negotiated. This package works in conjunction with a post-conflict assistance package from the World Bank, IMF and African Development Bank to support DDR (disarmament, demobilization, and reintegration) assistance, aid to the national identification program, and redeployment of the national administration throughout the country.

¶9. (SBU) Economic activity in general remains sluggish and per capita income has slumped. Overall GDP grew by 1.8

percent in 2006, a slight recovery over 2005; growth in 2007 is projected to be 2 percent. This growth can be attributed primarily to higher export earnings from oil and refined products (now \$1.3 billion annually, reasonably steady cocoa revenues (\$1 billion) and proceeds from an expanding telecommunications sector. However, the majority of the population is not better off. Per capita income declined by 0.6 percent in 2005 and 0.7 percent in 2006; a 0.2 percent drop is predicted for 2007. Economic activity in the north of the country remains well below pre-crisis levels. Inflation has not been an issue until recently; the average consumer price rise was about one-half a percent from 2004-2006. Rising oil prices have increased transportation costs and the exchange rate has accelerated in recent months in line with the Euro's appreciation vis-a-vis the dollar.

¶10. (U) The hardships brought on by the division of the country, including food insecurity in the north, triggered a substantial movement of people from north to south; several hundred thousand have been internally displaced since 2002. The result has been a significant increase in poverty. According to World Bank estimates, the poverty level has increased 5 percent, from 38.2 percent in 2002 at the onset of the crisis to 43.2 percent in 2006. The absence of a central government public administration severely compromised the delivery of health, education, and other services.

¶11. (SBU) The cotton and cocoa sectors support some 9 million people, nearly half the population; cotton output dropped by more than 50 percent since 2000. Cocoa output has remained essentially stable, hovering at the 1 million ton mark since 2000, with a slight dip to 950,000 in the 2002-03 harvest. International industry and Ivorian shipping companies estimate that up to 200,000 tons of cocoa per year have been transshipped through Ghana and Togo to evade artificially low prices since 2000, but those numbers appear to have come down since 2006. Modest improvements in economic activity have been noted since the signature of the OPA, and civil servants are beginning to return but huge challenges loom ahead. Foremost among those will be the government's ability to demonstrate to foreign investors that both political stability and an investor-friendly environment have been restored. It would be helpful for you to highlight in your meetings with President Gbagbo and PM Soro that getting the economic climate right is as critical to restoring investor confidence as political stability.

Bilateral Assistance and Sanctions

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¶12. (SBU) Cote d'Ivoire has been under Section 508 sanctions since the December 1999 coup that removed Henri Bedie from power. Sanctions were not lifted following the 2000 election due to government interference in the election with the intent of manipulating the results. Cote d'Ivoire was suspended from AGOA benefits on January 1, 2005, due to an Ivorian government decision to violate the UN-monitored cease-fire in November 2004 and lack of progress on key economic reforms. A credible election and substantial progress in meeting IMF/World Bank transparency goals would pave the way for a resumption of aid. In the interim, a very small bilateral assistance program focused on electoral preparation (involving NDI and IFES) is directed from USAID's West African Regional Program based in Accra.

¶13. (SBU) One of the few very bright spots in the US-Cote d'Ivoire relationship has been our PEPFAR program. Cote d'Ivoire is one of 15 focus countries that receives funds for HIV/AIDS prevention, education, and treatment; the USG is by far the largest supporter of HIV/AIDS activities in Cote d'Ivoire and of the health sector in general. In 2007, the PEPFAR program here received \$85 million; we expect an increase to about \$120 million in FY 08. Ensuring the proper use of these funds is a central focus of our PEPFAR team. We have made remarkable strides in terms of expanding treatment

and were working to improve joint efforts with the government of Cote d' Ivoire to tackle ongoing issues with stigma and HIV/AIDS education/prevention activities.

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